



Manitoba

THE PUBLIC TRUSTEE OF MANITOBA
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Public Trustee of Manitoba for the fiscal year ended March 31, 1987. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of affairs of the estates and trusts under jurisdiction of the Public Trustee as at March 31, 1987 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

October 30, 1987,
Winnipeg, Manitoba.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Balance Sheet of estates and trusts under administration
as at March 31, 1987
(with 1986 figures for comparison)

	<u>A S S E T S</u>	
	<u>1987</u>	<u>1986</u>
Cash on hand and in bank:		
General	\$ 316,692	\$ 1,157,893
Accountable advance	<u>401,495</u>	<u>2,661</u>
	718,187	1,160,554
Expenditures recoverable from estates and trusts (Note 2 (a))	7,678	4,839
Common fund investments (Notes 2(b) and 7)	67,182,224	58,182,325
Term deposits, investment certificates and treasury bills, at par value	2,079,433	2,658,306
Government of Canada and other bonds, at par value	8,139,089	10,425,653
Shares of capital stock and mutual funds (Note 2(c))	2,247,412	2,341,064
Annuity contracts (Note 2(d))	2,242	95,214
Accounts receivable (Note 2(e))	100,962	103,339
Rentals receivable (Note 2(e))	2,200	952
Notes receivable, principal (Note 2(f))	121,171	176,242
Mortgages and agreements receivable (Note 2(f))	70,040	67,974
Interests in other estates (Note 2(g))	3,546	6,075
Real estate (Note 2(h))	<u>3,044,043</u>	<u>3,481,979</u>
	<u>\$ 83,718,227</u>	<u>\$ 78,704,516</u>
 <u>L I A B I L I T I E S</u>		
Liabilities of estates:		
Mortgages, notes and agreements payable (Note 2(i))	\$ 88,892	\$ 163,435
Public Trustee, fees payable (Note 3)	<u>18,780</u>	<u>13,579</u>
	<u>107,672</u>	<u>177,014</u>
Government of the Province of Manitoba:		
The Public Trustee accountable advance	10,000	7,500
Administrative fees payable (Note 2(B))	<u>399,173</u>	<u>-</u>
	<u>409,173</u>	<u>7,500</u>
Estates and trusts under administration: (Note 2)		
Excess of recorded value of assets over liabilities:		
The Mental Health Act	57,815,836	54,464,014
The Public Trustee Act	<u>25,385,546</u>	<u>24,055,988</u>
	<u>\$ 83,718,227</u>	<u>\$ 78,704,516</u>

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Statement of Cash Receipts and Disbursements
for the year ended March 31, 1987
(with 1986 figures for comparison)

R E C E I P T S

	<u>1987</u>	<u>1986</u>
Funds held by estates and trusts brought under administration	\$ 7,923,254	\$ 6,162,850
Realization of equities in other estates	924,642	863,093
Pensions, compensation and assistance	10,260,995	9,337,978
Sickness, disability and other insurance benefits	1,261,796	1,368,079
Collections on account of:		
Accounts receivable	56,082	95,458
Rentals and leases receivable	178,294	216,027
Mortgages and agreements receivable	<u>31,079</u>	<u>38,965</u>
	<u>265,455</u>	<u>350,450</u>
Sale of chattels	86,563	129,537
Sale of real estate	1,406,634	1,016,163
Interest - bonds and investment certificates	8,290,239	8,216,717
Dividends	114,454	108,453
Bank interest	70,222	61,547
Statutory fees collected (Note 4)	<u>28,047</u>	<u>7,073</u>
Total receipts, before sale or redemption of securities	30,632,301	27,621,940
Sale or redemption of securities (Note 8)	50,571,608	71,697,052
Cash on hand and in bank at beginning of year	<u>1,157,893</u>	<u>433,247</u>
	<u>\$ 82,361,802</u>	<u>\$ 99,752,239</u>

Exhibit B

D I S B U R S E M E N T S

	<u>1987</u>	<u>1986</u>
Payments on account of:		
Accounts payable discharged	\$ 156,457	\$ 270,517
Mortgages and agreements payable	119,687	94,559
Real estate purchases	<u>30,435</u>	<u>7,479</u>
	<u>306,579</u>	<u>372,555</u>
Maintenance:		
Maintenance incurred in hospitals prior to June 30, 1958	141,582	139,368
Board, room and other expenses (Note 5)	<u>10,653,019</u>	<u>8,195,475</u>
	<u>10,794,601</u>	<u>8,334,843</u>
Preservation of estates:		
Realty and income taxes	843,547	921,026
Insurance	46,877	39,228
Repairs	66,600	73,721
Sundry	<u>597,531</u>	<u>583,882</u>
	<u>1,554,555</u>	<u>1,617,857</u>
Support of dependents	72,524	67,999
Administration and passing of accounts (Note 3)	2,602,893	2,278,834
Burial expenses	556,057	520,499
Estates and trusts released from administration	8,454,163	7,965,884
Statutory fees remitted (Note 4)	<u>28,047</u>	<u>7,073</u>
Total disbursements, before purchase of securities	24,369,419	21,165,544
Purchase of securities (Note 8)	57,675,691	77,428,802
Cash on hand and in bank at end of year	<u>316,692</u>	<u>1,157,893</u>
	<u>\$ 82,361,802</u>	<u>\$ 99,752,239</u>

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1987

1. Role and Objective

The Public Trustee acts on behalf of persons affected by various disabilities, mental disorders, age and death. The Public Trustee is considered to be an appointment of last resort and therefore provides a public service, generally, where there is no competent or acceptable person available to provide the required service.

2. Significant Accounting Policies

Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the position on a modified accrual basis with the following exceptions:

A. Assets

All known assets are included in the Balance Sheet except for chattels, which are accounted for in separate accounting records, and accruals on investment earnings.

B. Liabilities

Liabilities are only recorded on the Balance Sheet where accounts are due to the Government of the Province of Manitoba, and in respect of mortgages, notes and agreements payable described in Note 2(i).

The net recorded value of the estates and trusts under administration is governed by the valuation criteria described on the Balance Sheet as well as the following evaluation and accounting policies:

a) Expenditures Recoverable from Estates and Trusts

Expenditures recoverable from estates and trusts represent disbursements made on behalf of estates or trusts for which funds were not immediately available; these expenditures will be charged to the estates or trusts concerned in due course when funds become available. If funds do not become available, these expenditures are recovered from an appropriation of the Department of the Attorney-General, Province of Manitoba.

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The Public Trustee of Manitoba

Notes to Financial Statements

March 31, 1987

b) Common Fund Investments

Investments of the common fund, established pursuant to Section 7.1(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Earnings are distributed semi-annually to the individual estates and trusts on a pro rata basis.

c) Shares of Capital Stock and Mutual Funds

(i) Mental Health and Infant Trusts

The basis of valuation of shares assumed under administration prior to December 22, 1971 is at Valuation Day prices (market value as at December 22, 1971), except shares for which no Valuation Day price exists. Shares are then recorded at cost, if available, or at a nominal value of \$1.00.

Shares assumed under administration since December 22, 1971 have been recorded at the market value as at the date of assumption or at a nominal value of \$1.00 where market value is not readily available.

All shares purchased by the Public Trustee are recorded at cost.

(ii) Estates of Deceased Persons

Shares forming part of estates of deceased persons assumed under administration have been recorded at the market value as at the date of death. Shares purchased by the Public Trustee are recorded at cost. Where no market value exists, nominal values of \$1.00 are used.

Shares recorded at Valuation Day prices (December 22, 1971), assumed under administration since December 22, 1971, and purchased by the Public Trustee, amount to \$2,247,342 (1986 - \$2,340,963), with the balance of the account representing share certificates of a nominal value of \$1.00 each.

d) Annuity Contracts

Determinable receivables amount to \$1,885 at March 31, 1987 (1986 - \$94,884), with the balance of the account represented by receivables recorded at a nominal value of \$1.00 each.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1987

e) Accounts Receivable and Rentals Receivable

Determinable accounts receivable and rentals receivable amount to \$102,533 at March 31, 1987 (1986 - \$103,694), with the balance of the account represented by accounts and rentals receivables recorded at a nominal value of \$1.00 each.

f) Notes, Mortgages and Agreements Receivable

Notes, mortgages and agreements receivable reflect the amount of principal and interest due and unpaid at the time each estate was brought under administration, less any payments subsequently received. Interest due and accrued during administration is not recorded by the Public Trustee until such time as it is received.

g) Interests in Other Estates

Determinable interests in other estates amounts to \$3,492 at March 31, 1987 (1986 - \$6,018), with the balance of the account represented by interests in other estates recorded at a nominal value of \$1.00 each.

h) Real Estate

Real estate is valued at a multiple of five times the assessed value on the property tax notice and amounts to \$3,043,726 at March 31, 1987 (1986 - \$3,481,684); the balance of the account, represented by burial plots, mines and mineral rights and mobile homes, are recorded at a nominal value of \$1.00 each.

i) Mortgages, Notes and Agreements Payable

Mortgages, notes and agreements payable are recorded in instances where the possibility exists that payments may be made on account of these liabilities. Interest due and accrued during administration is not recorded until it is paid.

3. Administration Fees

Under Section 10 of The Public Trustee Act, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under his administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made.

The Government of the Province of Manitoba requested that the total costs of the Public Trustee's Office be fully recovered by means of these administration fees. These fees are remitted to the Government of the Province of Manitoba when funds become available in each estate and trust.

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1987

4. Statutory Fees

Under Section 3.2(3) of The Public Trustee Act, the Public Trustee of Manitoba provides legal services for estates and trusts not under his administration. Fees for these services are recorded as receipts and remitted to the Government of the Province of Manitoba.

5. Board, Room and Other Expenses

Board, room and other expenses reflect payments made for current general living expenses, including clothing, comforts, medical, nursing home costs, etc., during periods of supervision, probation and hospitalization.

6. Administration Costs

Administration costs of the Public Trustee of Manitoba are paid out of appropriations of the Government of the Province of Manitoba and are not reflected in these financial statements. Where appropriate, these costs are recovered from estates and trusts in a manner as explained in Note 3.

7. Common Fund - Summary of Investments

The investments of the Common Fund consist of the following:

	<u>1987</u> <u>Par Value</u>	<u>1987</u> <u>Book Value</u>	<u>1986</u>
Term deposits and investment certificates	\$ 8,600,000	\$ 8,600,000	\$ 13,600,893
Government of Canada bonds	34,390,000	34,768,415	33,006,669
Province of British Columbia bonds	1,350,000	1,404,661	-
Province of Manitoba bonds	4,350,000	4,387,218	4,144,997
Province of Ontario bonds	1,900,000	1,897,925	1,896,027
Ontario Hydro-Electric bonds	14,230,000	14,891,816	4,836,889
Federal Business Development Bank	500,000	533,225	-
Federal Business Development Bank Euro-Canadian debentures	<u>700,000</u>	<u>698,964</u>	<u>696,850</u>
	<u>\$ 66,020,000</u>	<u>\$ 67,182,224</u>	<u>\$ 58,182,325</u>

8. Comparative information

Comparative figures for the year ended March 31, 1986 have been restated where necessary to conform with the presentation adopted for the year ended March 31, 1987.